

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: PAYMENT AGREEMENTS	DOCKET NO. RMU-99-9
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ORDER COMMENCING RULE MAKING

(Issued September 17, 1999)

Pursuant to the authority of IOWA CODE §§ 476.20, 476.1, 476.2(1), and 17A.4 (1999), the Utilities Board proposes to adopt the amendments attached hereto and incorporated by reference. These rules amend IOWA ADMIN. CODE 199-19.4(10)"c" and 20.4(11)"c." The reasons for proposing the amendment are set forth in the attached notice of intended action.

IT IS THEREFORE ORDERED:

1. A rule making proceeding identified as Docket No. RMU-99-9 is commenced for purposes of receiving comments upon the proposed amendments attached to this order.

2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin a notice in the form attached to and incorporated by reference in this order.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper
Executive Secretary, Deputy

/s/ Diane Munns

Dated at Des Moines, Iowa, this 17th day of September, 1999.

UTILITIES DIVISION [199]

NOTICE OF INTENDED ACTION

Pursuant to the authority of Iowa Code sections 476.20, 476.1, 476.2, and 17A.3 (1999), the Utilities Board (Board) gives notice that on September 17, 1999, the Board issued an order in Docket No. RMU-99-9, In re: Payment Agreements, "Order Commencing Rule Making," to receive public comment on the adoption of revisions to the Board's rules which currently require a signed written agreement in order for a payment agreement between a utility and a customer to be recognized as a valid agreement.

The Board is proposing to amend the rules to allow the customer and the utility to enter into an oral payment agreement. The utility will be required to provide the customer a written document reflecting the agreed upon terms of the oral agreement within three days. In order to allow the customer an adequate opportunity to state disagreement with the company's understanding of the agreed upon terms of the oral agreement as reflected in the document, the utility must provide the customer with an address and phone number where a utility representative can be reached. If the customer does not notify the utility within ten days of the date the written document was postmarked, this will be deemed to be acceptance of the written terms of the agreement. By making the first payment the customer confirms acceptance of the terms of the agreement.

These amendments reflect the fact that over the past ten years several of the larger utilities have closed offices and now transact most customer business by telephone or mail. The requirement that a customer travel to a utility office may be a hardship for a customer and the amendments to the Board's rules will make it easier for a customer who has or will be disconnected to enter into a payment agreement and restore or continue service expeditiously.

Any interested person may file a written statement of position on the proposed rules no later than October 26, 1999, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2 (2). All written statements should be directed to the Executive Secretary, Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

A public hearing to receive comments on the proposed amendments will be held at 10 a.m. on November 4, 1999, in the Board's hearing room at the address listed above.

These amendments are intended to implement Iowa Code sections 476.2, 476.3 and 476.20.

The following amendments are proposed:

Item 1. Amend paragraph 199-19.4(10)"c" as follows:

199-19.4(10)"c" Terms. The agreement may require the customer to bring the account to a current status by paying specific amounts at scheduled times. The utility shall offer customers or disconnected customers the option of spreading

payments evenly over at least 12 months. Payments for potential customer agreements may be spread evenly over at least 6 months.

The agreement shall also include provision for payment of the current account. The agreement negotiations and periodic payment terms shall comply with tariff provisions which are consistent with these rules. When the customer makes the agreement in person at a company facility, a A signed copy of the agreement shall be provided to the customer, disconnected customer or potential customer. When the customer makes the agreement over the telephone or through electronic transmission, the utility will render to the customer a written document reflecting the terms and conditions of the agreement within three days of the date the parties entered into the oral agreement. The document will be considered rendered to the customer when deposited in the U.S. mail with postage prepaid. If delivery is by other than U.S. mail, the document shall be considered rendered to the customer when delivered to the last-known address of the person responsible for payment for the service. The document shall state that unless the customer notifies the utility within ten days from the date the document is rendered, it will be deemed the customer accepts the terms as reflected in the written document. The document stating the terms and agreements shall include the address and a toll-free number where a qualified representative can be reached. By making the first payment, the customer confirms acceptance of the terms of the oral agreement.

Second agreement. If a customer has retained service from November 1 through April 1 but is in default of a payment agreement, the utility may offer the customer a

second payment agreement that will divide the past-due amount into equal monthly payments with the final payment due by the fifteenth day of the next October. The utility may also require the customer to enter into a level payment plan to pay the current bill.

The customer who has been in default of a payment agreement from November 1 to April 1 may be required to pay current bills based on a budget estimate of the customer's actual usage, weather normalized, during the prior 12-month period or based on projected usage if historical use data is not available.

Item 2. Amend paragraph 199-20.4(11)"c" as follows:

199-20.4(11)"c" Terms. The agreement may require the customer to bring the account to a current status by paying specific amounts at scheduled times. The utility shall offer customers or disconnected customers the option of spreading payments evenly over at least 12 months. Payments for potential customer agreements may be spread evenly over at least 6 months.

The agreement shall also include provision for payment of the current account. The agreement negotiations and periodic payment terms shall comply with tariff provisions which are consistent with these rules. When the customer makes the agreement in person at a company facility, a A signed copy of the agreement shall be provided to the customer, disconnected customer or potential customer. When the customer makes the agreement over the telephone or through electronic transmission, the utility will provide the customer a written copy of the terms and conditions of the agreement within ten days of the date the parties entered into the

oral agreement. Remittance of the first scheduled payment by the customer will serve as acknowledgement of the terms of the oral agreement.

Second agreement. If a customer has retained service from November 1 through April 1 but is in default of a payment agreement, the utility may offer the customer a second payment agreement that will divide the past-due amount into equal monthly payments with the final payment due by the fifteenth day of the next October. The utility may also require the customer to enter into a level payment plan to pay the current bill.

The customer who has been in default of a payment agreement from November 1 to April 1 may be required to pay current bills based on a budget estimate of the customer's actual usage, weather normalized, during the prior 12-month period or based on projected usage if historical use data is not available.

September 17, 1999

/s/ Allan T. Thoms
Allan T. Thoms
Chairman